

WILLIAM A. MUNDELL
CHAIRMAN

JIM IRVIN
COMMISSIONER

MARC SPITZER
COMMISSIONER



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ARIZONA CORPORATION COMMISSION

OPEN MEETING ITEM

MEMORANDUM

SECURITIES DIVISION
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TO: Chairman William A. Mundell
Commissioner Jim Irvin
Commissioner Marc Spitzer

FROM: Mark Sendrow *MS*
Director of Securities

DATE: December 4, 2001

RE: Docket No. S-03468A-01-0000 / Bar-Lo Millennium Corporation et al.

CC: Brian C. McNeil, Executive Secretary

Arizona Corporation Commission

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AZ CORP COMMISSION
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Attached is a proposed default Order against Bar-Lo Millennium Corporation ("Bar-Lo"), Ken Renken ("Renken"), Radoica Barjaktarovic ("Barjaktarovic"), and George O. P. Fleming ("Fleming"). On August 14, 2001 the Securities Division received information from the Nebraska Department of Banking and Finance. A Nebraska resident received information about an investment opportunity from Renken, a real estate agent in Prescott. The investment offered a return of 200% interest within sixty days on an investment of \$80,000.

The offeree was asked to loan Bar-Lo Millennium Corporation \$80,000. He was told that the money would be used as start up capital for the Dore Import Project, a project to extract precious metals from black sand in Indonesia. \$30,000 would be used for expenses and the remaining funds would be kept in an escrow account belonging to a Washington state attorney.

In addition to an interest rate of 200% and return of the principal and interest within sixty days, the offeree was told that Bar-Lo would purchase property the offeree has for sale in Prescott. A 90-day option on the property, a strip mall, would be part of the agreement along with a promise to pay the asking price of \$430,000. Bar-Lo would agree to pay a non-refundable option fee of \$10,000 on or before November 1, 2001 with a purchase date of December 14, 2001.

The initial investigation revealed that Bar-Lo was incorporated in Nevada on February 9, 1999. The company is currently in default in Nevada. Papers received by the offeree show the company has an address of Suite 206, 1480 Gulf Road, Point Roberts, Washington. The investigation determined that this address is mail drop called "Point Roberts Parcel." The

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Memo to Commissioners

telephone number used by the company was identified as belonging to Barjaktarovic, the President of Bar-Lo Millennium Corporation. Fleming was identified as the company's treasurer.

The offeree is not an accredited investor. Records in Arizona verify the investment is not registered in Arizona and that Bar-Lo did not file a Form D in Arizona. Further, Respondents are not registered securities salesmen in Arizona.

On October 9, 2001, the Division filed a Notice of Opportunity For Hearing. Renken was served a copy of the Notice on October 9, 2001. Barjaktarovic was served a copy of the Notice on November 6, 2001. Fleming was served a copy of the Notice on November 3, 2001. Bar-Lo was served a copy of the Notice on November 3 and 6, 2001, by personal service upon Barjaktarovic and Fleming as authorized agents of the corporation. All Respondents failed to request an Administrative Hearing.

The Division is not aware of any victim who actually invested money in this investment therefore restitution is not applicable. The attached default Order would subject each Respondent to pay an administrative penalty in the amount of \$10,000, within thirty (30) days after entry of this Order. If the Respondents do not comply with this order for administrative penalties, interest will accrue at the rate of 10% per annum.

The Division recommends approval of the Order.

Originator: Kathryn E. McCormick

AG Assigned: Moira McCarthy

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 WILLIAM A. MUNDELL

3 Chairman

4 JIM IRVIN

5 Commissioner

6 MARC SPITZER

7 Commissioner

8 In the matter of)

9 BAR-LO MILLENNIUM CORPORATION)

10 Suite 206, 1480 Gulf Road)

11 Point Roberts, Washington 98281)

12 KEN RENKEN)

13 1153 Buena Vista Way)

14 Dewey, Arizona 86327)

15 RADOICA BARJAKTAROVIC)

16 818 Gauthier Avenue)

17 Coquitlam, British Columbia V3K 1R9)

18 GEORGE O.P. FLEMING)

19 c/o BAR-LO MILLENNIUM CORPORATION)

20 Suite 206, 1480 Gulf Road)

21 Point Roberts, Washington 98281,)

22)

23)

24)

25)

26)

Respondents.

DOCKET NO. S-03468A-01-0000

DECISION NO. _____

**ORDER TO CEASE AND DESIST AND
ORDER FOR ADMINISTRATIVE
PENALTIES**

17 **I.**

18 **INTRODUCTION**

19 On October 9, 2001, the Securities Division ("Division") of the Arizona Corporation
20 Commission ("Commission") filed a Temporary Notice to Cease and Desist and Notice of
21 Opportunity for Hearing ("Notice") against the above Respondents. The Notice specified that the
22 Respondents would be afforded an opportunity for an administrative hearing on this matter upon
23 filing a written request with Docket Control of the Commission within twenty (20) days of receipt
24 of the Notice. KEN RENKEN ("RENKEN") was served a copy of the Notice on October 9, 2001,
25 by personal service upon RENKEN at his home address as stated above. RENKEN failed to
26 request a hearing. RADOICA BARJAKTAROVIC ("BARJAKTAROVIC") was served a copy of

1 sent limited offering materials to at least one potential investor regarding this investment opportunity.
2 The offeree was told that an \$80,000 investment, in the form of a loan to BLMC, would earn a return
3 of 200%, plus the return of the principal, in sixty days or less.

4 7. RENKEN represented to the potential investor ("offeree") that the money would be
5 used as start up capital for the Dore Import Project, a project to extract precious metals from black
6 sand in Indonesia. The offeree was instructed to send the money to the escrow account of an attorney
7 in the state of Washington. A portion of the offeree's investment, \$30,000, was to be used for
8 expenses. The remaining \$50,000 would be held in escrow and released when the Dore was assayed
9 and verified. All disbursements from the escrow account would be under the authority of RENKEN
10 and BARJAKTAROVIC. RESPONDENTS failed to provide specific information on the Dore
11 Import Project, including material risks involved with this type of investment. Further they failed to
12 disclose specifically how the money invested into the Dore Import Project would be used and by
13 whom.

14 8. As an additional incentive, the offeree was told that BLMC would purchase a strip
15 mall that the offeree had for sale in Prescott Valley, Arizona. BLMC would agree to a 90-day option
16 on the property, a promise to pay the asking price of \$430,000, and pay a non-refundable option
17 fee of \$10,000 on or before November 1, 2001, with a purchase date of December 14, 2001. A
18 Letter of Intent requires an inspection of the property by BLMC. The inspection is supposed to be
19 completed by BARJAKTAROVIC and FLEMING.

20 9. In February 2001, RENKEN faxed information to the offeree from Arizona. The
21 information included the resumes of four men including BARJAKTAROVIC and FLEMING. Later,
22 RENKEN faxed additional information from Arizona to the offeree, including two Letters of Intent,
23 which set out the basis of the agreement between the offeree and BLMC. RESPONDENTS failed
24 to provide the offeree with a prospectus or equivalent offering document containing material
25 information.
26

1 the Notice on November 6, 2001, by personal service upon him at the address stated above.
2 BARJAKTAROVIC failed to request a hearing. GEORGE O.P. FLEMING ("FLEMING") was
3 served a copy of the Notice on November 3, 2001, by personal service upon him at #101-9825-
4 140th Street, Surrey, British Columbia. FLEMING failed to request a hearing. BAR-LO
5 MILLENNIUM CORPORATION ("BLMC") was served a copy of the Notice on November 3 and 6,
6 2001, by personal service upon BARJAKTAROVIC and FLEMING as authorized agents of the
7 corporation. BLMC failed to request a hearing.

8 II.

9 FINDINGS OF FACT

10 1. BLMC is a Nevada corporation whose last known business address is Suite 206, 1480
11 Gulf Road, Point Roberts, Washington, 98281. The company incorporated on February 9, 1999. The
12 state of Nevada reports that BLMC is currently in default.

13 2. RENKEN is an individual whose last known home address is 1153 Buena Vista
14 Way, Dewey, Arizona 86327. RENKEN is licensed in the state of Arizona to sell real estate, but
15 is not licensed as a securities salesman. At all relevant times, RENKEN acted as an agent for
16 BLMC.

17 3. BARJAKTAROVIC is an individual whose last known home address is 818
18 Gauthier Avenue, Coquitlam, British Columbia V3K 1R9. BARJAKTAROVIC is president of
19 BLMC.

20 4. FLEMING is an individual whose last known home address is #101-9825-140th
21 Street, Surrey, British Columbia. FLEMING is treasurer, director and financial consultant of
22 BLMC.

23 5. BLMC, RENKEN, BARJAKTAROVIC, and FLEMING may be collectively
24 referred to as "RESPONDENTS."

25 6. Beginning around February 2001, RESPONDENTS began offering securities within
26 or from Arizona in the form of investment contracts and/or evidences of indebtedness. RENKEN

1 10. The Letters of Intent were both dated August 11, 2001, and have a signature line
2 for the offeree and for BARJAKTAROVIC. The offeree was instructed to sign the documents and
3 send them via facsimile to RENKEN to a telephone number in Arizona. RENKEN advised he would
4 send the signed documents to BARJAKTAROVIC for his signature, who would in turn fax the
5 documents back to RENKEN in Arizona. A final copy of the documents, containing both signatures,
6 would be sent via facsimile from RENKEN in Arizona to the offeree.

7 11. RENKEN received the information that was faxed to the offeree from
8 BARJAKTAROVIC and FLEMING. RENKEN understood that at least one of the resumes provided
9 by BARJAKTAROVIC and FLEMING was actually authored by FLEMING. The information failed
10 to disclose the financial conditions and business histories of BLMC and BARJAKTAROVIC.
11 Further, RESPONDENTS failed to disclose material information concerning the respective officers
12 and directors of BLMC or the business backgrounds and experience of those officers and directors in
13 investments of this nature. Instructions that RENKEN received verbally were over the telephone in
14 conversations with BARJAKTAROVIC and FLEMING.

15 12. The Letters of Intent show the address listed above for BLMC. That address is a
16 mail drop in Point Roberts called "Point Roberts Parcel." A telephone number listed on the Letters of
17 Intent for BLMC is the residence telephone number for BARJAKTAROVIC.

18 III.

19 CONCLUSIONS OF LAW

20 1. The Commission has jurisdiction over these matters pursuant to Article XV of the
21 Arizona Constitution and the Securities Act.

22 2. From on or about February 2001, RESPONDENTS offered and/or sold securities in the
23 form of investment contracts and/or evidences of indebtedness, within and/or from Arizona, within
24 the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

25 3. RESPONDENTS violated A.R.S. § 44-1841 by offering or selling securities that were
26 neither registered nor exempt from registration.

5. RESPONDENTS violated A.R.S. § 44-1991 by offering or selling securities within or from Arizona by (a) employing a device, scheme or artifice to defraud, (b) making untrue statements or misleading omissions of material facts, and (c) engaging in transactions, practices or courses of business which operate or would operate as a fraud or deceit.

7. RESPONDENTS' conduct is grounds for administrative penalties under A.R.S. § 44-2036.

ORDER

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that RESPONDENTS, their agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

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1 RESPONDENTS do not comply with this order for administrative penalties, interest will accrue at
2 the rate of 10% per annum.

3 IT IS FURTHER ORDERED that this Order shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

5
6
7 CHAIRMAN

COMMISSIONER

COMMISSIONER

8 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
9 Executive Secretary of the Arizona Corporation
10 Commission, have hereunto set my hand and caused the
11 official seal of the Commission to be affixed at the
12 Capitol, in the City of Phoenix, this _____ day of
13 _____, 2001.

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BRIAN C. McNEIL
Executive Secretary

DISSENT

18 This document is available in alternative formats by contacting Shelly M. Hood, ADA Coordinator,
19 voice phone number 602-542-3931, E-mail shood@cc.state.az.us.

20 (KEM)

26 N:Enforce/Cases/Bar-Lo/Pleadings/Default